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# THE *Livestock* SITUATION

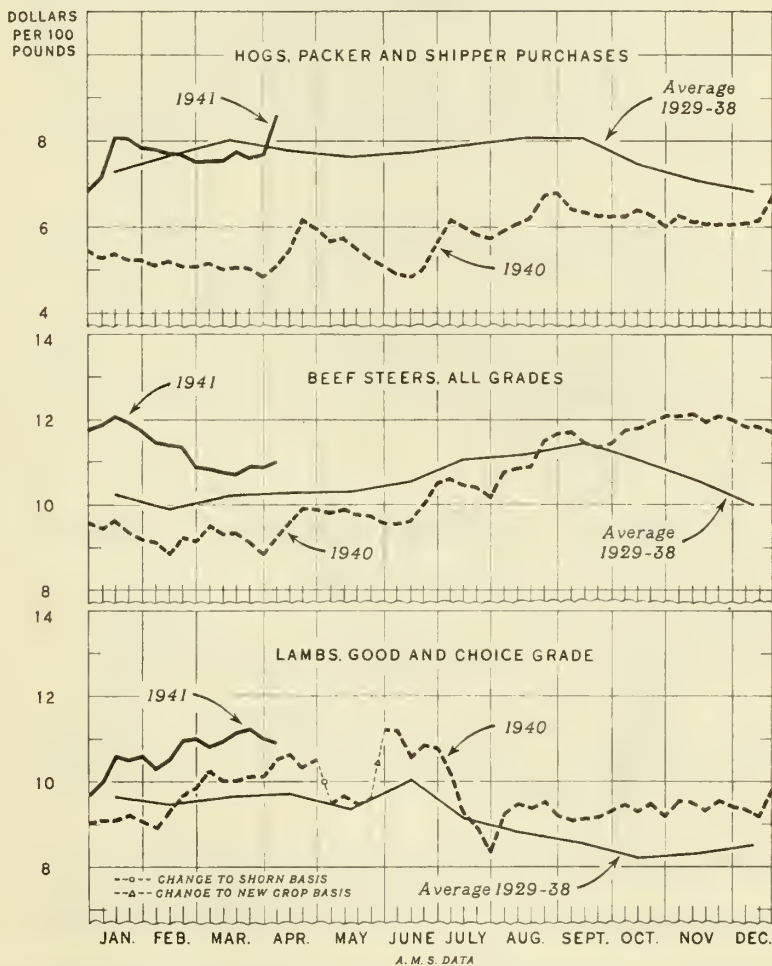
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

LS- 22



APRIL 1941

PRICES OF SLAUGHTER LIVESTOCK AT CHICAGO,  
AVERAGE 1929-38, AND 1940-41

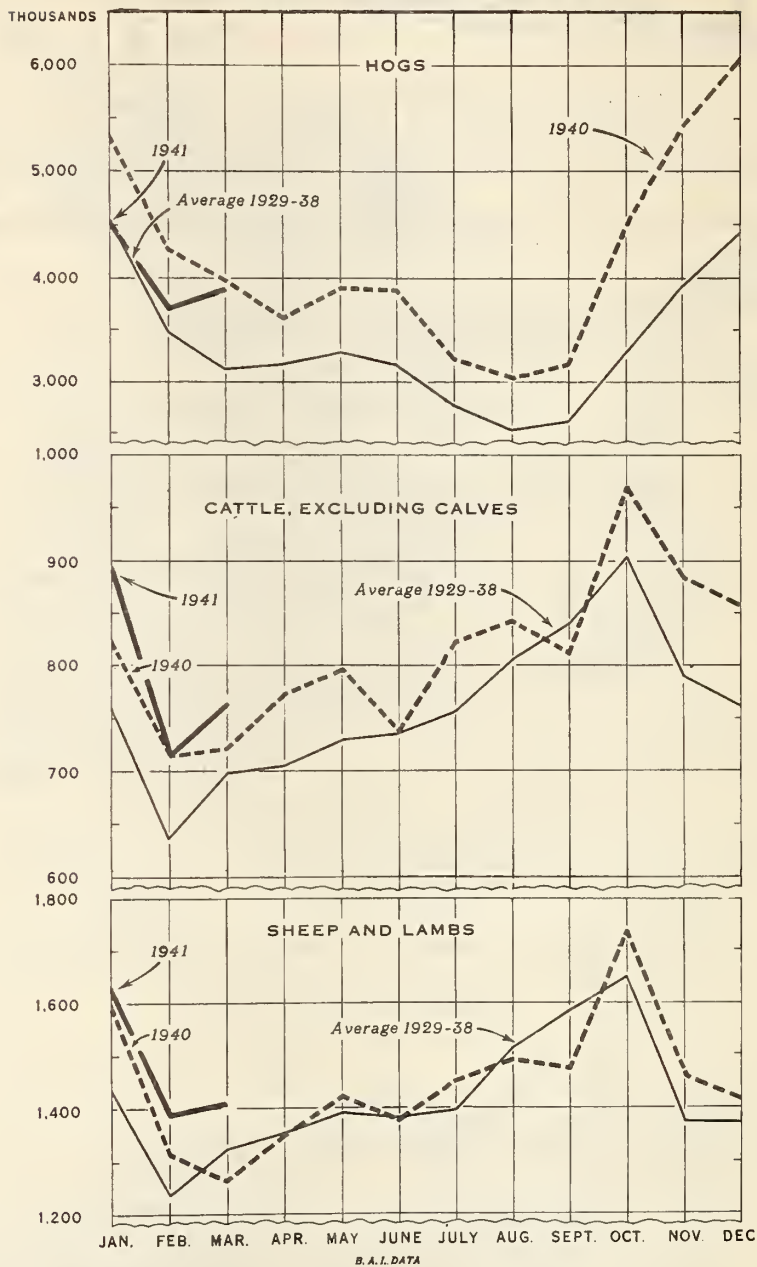


U. S. DEPARTMENT OF AGRICULTURE

NEG 38297 BUREAU OF AGRICULTURAL ECONOMICS

HOG PRICES ADVANCED SHARPLY IN EARLY APRIL, FOLLOWING THE ANNOUNCEMENT THAT INCREASED PORK PRODUCTION WAS TO BE ENCOURAGED THROUGH GOVERNMENT SUPPORT OF HOG PRICES. SO FAR THIS YEAR PRICES OF ALL LIVESTOCK HAVE BEEN MATERIALLY HIGHER THAN A YEAR EARLIER, CHIEFLY BECAUSE OF IMPROVED CONSUMER DEMAND AND REDUCED SUPPLIES OF HOGS. WITH PROSPECTS FOR FURTHER IMPROVEMENT IN DOMESTIC DEMAND CONDITIONS, LIVESTOCK PRICES ARE EXPECTED TO CONTINUE HIGHER THROUGHOUT 1941 THAN A YEAR EARLIER.

FEDERALLY INSPECTED SLAUGHTER OF LIVESTOCK, AVERAGE  
1929-38, AND 1940-41



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FIGURE 1.—IN THE FIRST 3 MONTHS OF 1941 INSPECTED HOG SLAUGHTER TOTALLED ABOUT 11 PERCENT LESS THAN A YEAR EARLIER. SUPPLIES WILL DECREASE SEASONALLY DURING THE NEXT FEW MONTHS AND TOTAL SLAUGHTER FOR THE YEAR MAY BE ABOUT 15 PERCENT SMALLER THAN IN 1940. MARKETINGS OF CATTLE AND SHEEP AND LAMBS WILL INCREASE SEASONALLY DURING THE COMING SUMMER AND FALL. TOTAL SLAUGHTER OF CATTLE IN 1941 IS EXPECTED TO BE MODERATELY LARGER THAN A YEAR EARLIER, AND SHEEP AND LAMB SLAUGHTER FOR THE YEAR MAY BE SLIGHTLY LARGER THAN THAT OF 1940.

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T H E L I V E S T O C K S I T U A T I O N  
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Summary

In early April the Department of Agriculture announced that the Ever-Normal Granary Program would be expanded into a food program designed to assure ample supplies for the United States, Great Britain, and other nations resisting aggression. Hog production has decreased somewhat since 1939, and in order to stimulate the production of pork over a period ending June 30, 1943, hog prices will be supported at a long-term level of \$9.00, Chicago average.

This support to hog prices will be accomplished through the purchase of hog products in the open market by the Department of Agriculture. In making such purchases consideration will be given to seasonal variation in prices and changing price relationships. The program, therefore, does not provide for a fixed price of hogs. In addition to providing supplies for shipment to foreign countries, Government purchases of pork and lard will be used for release upon the market in the case of unwarranted speculative price increases and for distribution in the United States through the established school lunch programs or State welfare departments.

The prospect of purchases of large quantities of meats and lard for export, together with the marked improvement in consumer purchasing power now taking place, makes desirable certain adjustments in the production and marketing of livestock. For hog producers, a material expansion in the number of pigs raised this fall and an increase in average weights of hogs marketed are urged. Because of the better demand conditions in prospect this year and next, hog production and marketings can be expanded with profit to farmers.

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In the case of beef cattle, the number on farms is now being built up to the extent that several years from now market supplies of cattle may be unusually large. Consumer demand for meats at the end of 3 or 4 years may be much less favorable than in 1941. And large supplies of cattle for slaughter at that time may be accompanied by low prices. It thus seems desirable for farmers to increase their marketings of cattle during the next 2 or 3 years, when the demand for meats will be strong. The strong demand probably will offset or more than offset the effects on cattle prices of increased marketings.

The number of cattle on feed in the Corn Belt on April 1 was 16 percent larger this year than last. This increase in feeding operations will result in somewhat larger marketings of grain-fed cattle during the next 2 or 3 months than a year earlier, but most of the increase in market supplies over corresponding months of 1940 is expected in the late summer and early fall.

The development of the early lamb crop continued favorable during March. Fairly heavy marketings of early lambs of above-average quality are expected from the middle of April to mid-June. Marketings of grass-fat yearlings from Texas will get under way in volume by late April. Sheep have wintered well in the Western States and prospects for the late lamb crop are favorable.

Livestock prices changed relatively little during March, but hog prices advanced sharply in early April following the announcement that prices would be supported by Government purchases of pork and lard. Early lambs from California and Arizona began to reach midwestern markets in early April and sold at prices around 50 cents higher than the first shipments last spring.



Marketings of all livestock increased in March. In the first 3 months of 1941 inspected slaughter of cattle and lambs was moderately larger than a year earlier; calf slaughter was about the same, and hog slaughter was 11 percent smaller. The decrease in hog slaughter from a year earlier reflects the reduction in the 1940 spring pig crop.

-- April 18, 1941

## REVIEW OF RECENT DEVELOPMENTS

### HOGS

#### Hog prices rise in early April

Hog prices held steady to slightly higher during March, but they advanced sharply in early April following the announcement of the Government's intention to support hog prices at a long-term level of \$9.00 per 100 pounds, Chicago average. The average price of all hogs at Chicago for the week ended April 12 was \$8.60, compared with the level of about \$7.65 that prevailed during March. In early April last year the average price of all hogs at Chicago was about \$5.00.

After a sharp advance in December and January, the hog-corn price ratio declined steadily during February and March. In late March it had fallen to a little below the long-time average of 11.6 (Chicago prices), partly because of an advance in corn prices in the past few weeks. As a result of the recent rise in hog prices, the ratio has again advanced to a level favorable for hog production. The ratio, based on the average price of hogs and No. 3 Yellow corn at Chicago for the week ended April 12 was 12.5, compared with 11.2 a week earlier and 8.3 in the corresponding week of 1940.

Wholesale prices of hog products advanced moderately during March and rose sharply in early April along with hog prices. There have been particularly sharp advances in the price of lard since early April.

#### Hog marketings increased slightly in March

Hog marketings increased slightly in March. Inspected slaughter for the month totaled 3,904,000 head, 5 percent more than in February but 2 percent less than in March last year. In the first quarter (October-December) of the 1940-41 marketing year inspected hog slaughter totaled 21 percent more than a year earlier. In the second quarter (January-March) it was about 11 percent smaller than a year earlier.

Packing sows have constituted around 4 percent of total market receipts during the past few weeks. This is about the same proportion as a year earlier. Average weights of hogs marketed have been a little heavier than a year earlier during the past 2 months.

Storage holdings of pork and lard  
decreased moderately in March

Moderate decreases occurred in storage holdings of both pork and lard during March. Storage holdings of pork on April 1 totaled about 785 million pounds, 7 million pounds less than a month earlier. Storage stocks of pork ordinarily reach the peak for the year in late winter or early spring and then decrease seasonally until late fall. Storage holdings of pork on April 1 this year were about 20 percent larger than a year earlier and 36 percent greater than the 1935-39 average.

Ordinarily there is a small net in-storage movement of lard during March. This year lard stocks decreased about 7 million pounds from March 1 to April 1. However, the out-of-storage movement was not important in view of the exceptionally large stocks of lard already in storage. Lard stocks on April 1 of 311 million pounds were nearly 2-1/2 times greater than the 1935-39 average for that date and the largest April 1 figure on record.

Storage holdings of pork and lard on the first of the month, average  
 1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard			: Rendered : pork fat : 1940-41
	: Average :	:	:	: Average :	:	:	
	: 1934-35 :	1939-40	1940-41	: 1934-35 :	1939-40	1940-41	
	: to :	:	:	: to :	:	:	
	: 1938-39 :	:	:	: 1938-39 :	:	:	:
	: Mil. lb.	Mil. lb.	Mil. lb.	: Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Oct.	: 344.6	300.2	329.2	: 87.6	78.8	235.7	1/
Nov.	: 323.7	272.7	303.7	: 69.6	68.7	223.2	1/
Dec.	: 378.9	332.3	408.9	: 71.8	89.0	232.5	5.1
Jan.	: 502.0	469.5	656.2	: 95.6	162.1	287.0	7.1
Feb.	: 584.6	588.6	739.9	: 120.5	202.2	299.6	7.2
Mar.	: 603.7	650.7	791.9	: 126.7	256.6	317.4	9.2
Apr.	: 580.1	652.7	2/784.6	: 129.9	268.8	2/310.7	2/9.7
May	: 561.3	612.0		: 129.1	266.1		
June	: 515.7	592.6		: 129.4	283.9		
July	: 474.7	598.5		: 130.2	306.8		
Aug.	: 422.6	548.7		: 121.2	303.2		
Sept.	: 361.9	417.6		: 101.8	272.3		

1/ Not distinguished from lard prior to December 1940.

2/ Preliminary.

Exports of pork and lard continued  
small in February

Total exports of pork in February amounted to 2.8 million pounds compared with 2.3 million pounds in January and 27.7 million pounds in February last year. Total pork shipments to Europe during February consisted of about 500,000 pounds to Finland and only 500 pounds to the United Kingdom. There were small increases over January in shipments to several Central and South American countries.



Lard exports totaling 14.8 million pounds in February were 1.1 million pounds larger than a month earlier, but 10.3 million pounds smaller than a year earlier. About one-half of the February lard exports were to Mexico and Cuba. Russia and Japan together took a little over 5 million pounds. Beginning April 15 lard and other fats and oils will be subject to export license control. This action is not expected to interfere seriously with normal export shipments.

#### CATTLE

##### Cattle prices little changed during March and early April

Prices of slaughter cattle held steady to slightly higher during March and early April at a level \$1.00 to \$2.00 above a year earlier. The average price of good grade beef steers at Chicago for the week ended April 12 was \$11.30, compared with \$11.10 in early March and \$9.95 in the corresponding week a year earlier. The spread between prices of the upper and lower grades of slaughter cattle has narrowed seasonally since early January, and it is now about the same as in early April last year.

Prices of feeder cattle advanced sharply during March and are now materially higher than a year earlier. The spread between prices of feeder steers and fat cattle is about the same as a year earlier, however. The average price of feeder steers at Kansas City for the week ended April 11 was \$10.60, compared with \$9.95 a month earlier and \$8.65 a year earlier.

##### Marketings of cattle and calves increased seasonally in March

Marketings of slaughter cattle and calves increased seasonally in March. Slaughter of cattle under Federal inspection during the month totaled 766,000 head, 7 percent more than in February and 6 percent more than in March last year. Inspected cattle slaughter in the past 3 months of 1941 totaled about 5 percent greater than in the corresponding months of 1940. Inspected calf slaughter of 444,000 head in March was 16 percent greater than in February but only 1 percent greater than a year earlier. Calf slaughter in the first 3 months of this year was little different from that a year earlier.

##### February imports of cattle and calves little different from a month earlier

Total imports of cattle and calves in February amounted to 78,000 head, about the same number as was imported in January but about twice as many as in February last year. Imports of heavy dutiable cattle in February were about 18,000 head, smaller than in January, but this decrease was offset by increased imports of lightweight cattle (weighing under 700 pounds) and calves. Imports of cattle and calves from Mexico in February totaling about 66,000 head were a little larger than in January, while imports from Canada of about 12,000 head were smaller than a month earlier. The increase in imports over February 1940 was mostly in cattle and calves weighing under 700 pounds from Mexico. Imports of such cattle totaled 65,000 this February, compared with 29,000 head a year earlier.

Cattle imports from Canada, Mexico, and all countries, by weight groups, and imports of beef and veal, January-February 1936-41

Period	Cattle									Beef and veal	
	Canada			Mexico			All countries			total all countries	
	Under 700 lb.	All cattle		Under 700 lb.	All cattle		Under 700 lb.	All cattle		Canned beef	fresh
	1/	1/		1/	1/		1/	1/		2/	pickled and cured
Jan.-Feb.:	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	1,000 pounds	1,000 pounds
1936 :	3	17	22	22	6	28	26	23	50	14,860	1,317
1937 :	12	36	50	35	10	45	47	45	95	4,684	1,031
1938 :	8	6	16	25	6	31	33	12	47	6,524	408
1939 :	7	35	44	113	27	140	121	62	185	7,489	547
1940 :	7	11	20	74	15	89	81	26	109	14,852	682
1941 :	8	17	29	116	12	127	124	29	156	11,604	6,226

1/ Exclusive of cattle imported for dairy purposes.

2/ Actual weight of imports, chiefly from Argentina, Uruguay, Brazil, and Chile.

### LAMBS

#### Lamb prices down a little in early April

Lamb prices strengthened moderately during March but weakened a little in early April. The average price of good and choice grade fed woolled lambs at Chicago for the week ended April 12 was \$10.95, the same as a month earlier but 45 cents higher than in the corresponding week of 1940. Prices of slaughter ewes have advanced more than the usual seasonal amount during the past few months. In early April the average price of good and choice grade slaughter ewes at Chicago was \$7.00, about \$2.00 higher than a year earlier.

Early lambs from California and Arizona began to reach midwestern markets in early April. Average weights of lambs were generally well above the early shipments of previous years. The average price of good and choice spring lambs at Kansas City for the week ended April 12 was \$11.45, although some lots sold as high as \$12.50. The market movement of spring lambs began somewhat earlier in 1940 than this year because of the earlier date of Easter. First shipments received in Kansas City last year sold at prices around 50 cents lower than the opening level this season.

#### Marketings of sheep and lambs increased slightly in March

Marketings of sheep and lambs increased less than the usual seasonal amount from February to March. Inspected slaughter of sheep and lambs during

the month totaled 1,408,000 head, 1 percent more than in February and 11 percent more than in March last year. Slaughter of sheep and lambs in the first 3 months of 1941 totaled 6 percent greater than a year earlier.

#### THE NEW FOOD PROGRAM AND THE LIVESTOCK INDUSTRY

In early April the Department of Agriculture announced that the Ever-Normal Granary Program would be expanded into a food program designed to assure ample supplies for the United States, Great Britain, and other nations resisting aggression. Under the expanded program the production of pork, dairy products, eggs and poultry will be stimulated through support to prices over a period ending June 30, 1943 at levels remunerative to producers. Other phases of the program include:

(1) Continuation of the existing corn loan program in 1941 and 1942,

(2) Continuation of the policy of making loan corn available to producers at the loan rate plus certain carrying charges,

(3) Allowing producers in the commercial corn area who cooperate in the Agricultural Conservation Program to increase corn acreage up to their usual acreage. These producers would not receive corn payments and would not be eligible for corn loans,

(4) No corn marketing quotas for the 1941 crop.

#### Government to support hog prices

In the case of hogs, the Department of Agriculture announced that it would make purchases of hog products in the open market to support a long-term level of prices of \$9.00 per 100 pounds, based on the average price of all hogs at Chicago. In making purchases to support this level, consideration will be given to seasonal price variations and possible changes from existing price relationships. The program, therefore, does not provide for a fixed price of hogs.

The Government's purchases of pork and lard and other products in the open market will be used to accumulate reserve supplies of food. These supplies can be used for transfer to Great Britain and other countries under the provisions of the Lease-Lend Act; for release upon the market in case of unwarranted speculative price increases; to meet requests from the Red Cross for shipment to war refugee areas; and for direct distribution in the United States through school lunch programs or through State welfare departments to public aid families. Arrangements also are being made for coordination of these purchases with those being made for our armed forces.

#### Why more meat is needed

The livestock industry of the United States is faced with two important new developments which make desirable certain adjustments in production



and marketings. The first of these developments is the marked increase and prospective further increase in incomes of consumers and the increase in requirements of consumers for meats during the period of extraordinary national defense efforts. The second is the large requirement for meats and lard for shipments to Great Britain which will be made under the lease-lend legislation recently approved by the Congress and the President. The adjustments necessary are different for hog producers than for cattle producers. For hog producers, a material expansion in the number of pigs raised this fall and an increase in average weights of hogs marketed are essential. For cattle producers, the objective appears to be a substantial increase in the number of cattle marketed for slaughter without a further large increase in breeding stock held on farms and ranches.

#### Improvement in domestic demand

The national defense program has resulted in a material increase in industrial production and employment and incomes of consumers. Income payments to individuals <sup>in 1940</sup> were 6 percent greater than in 1939. Thus far in 1941 income payments have been substantially larger than a year earlier, and the total for 1941 probably will exceed that of 1929. A further increase seems probable during 1942. This increase in consumer purchasing power will greatly strengthen consumer demand for meats.

#### Increases in exports

In addition to the increases in domestic demand, large quantities of pork and lard will be purchased in 1941 and 1942 for shipment to Great Britain and, perhaps, other countries. An appropriation of \$1,350,000,000 has been approved for the purchase of industrial and agricultural products under the Lease-Lend Act. The volume and kind of products shipped, however, will depend to a considerable extent upon available shipping space.

It is expected that shipments to Great Britain will be largely products that require a minimum of refrigeration. Such items probably will include canned meats, cured pork, lard, dried and evaporated milk products, dried fruits, canned fruits and vegetables, dried beans, and eggs.

Larger supplies of pork, lard, and dairy and poultry products probably will be needed by Great Britain and certain other European countries for several years. Livestock herds and foundation stock of all kinds have been greatly reduced by the war, and European production of meats and dairy products is not likely to increase until after the end of the war.

The improvement in domestic demand indicated by recent and prospective increases in incomes of consumers, and the large requirements for export will mean that a considerable increase in the marketings of livestock for slaughter can occur, and, at the same time, it will be possible for farmers to receive satisfactory prices for slaughter livestock. This situation is in marked contrast to that which prevailed in the early 1930's when export demand for pork and lard was shrinking and incomes of consumers in the United States were low. In this period satisfactory prices could not be obtained without downward adjustments in the volume of livestock marketed for slaughter.

Hogs

Under the new food program farmers are urged to increase pork production by feeding hogs to heavier weights and by increasing the number of pigs raised. Sows will be bred for fall farrow during the next few months, and the support that the Government will give to hog prices will insure a favorable hog-corn ratio. This should result in a material increase in the number of pigs raised in the fall of 1941 over the fall of 1940.

Pigs farrowed this fall, however, will not be ready for market until the spring and summer of 1942. But the more favorable hog-corn price ratio will encourage farmers to feed hogs to heavier weights in the coming months. And pork and lard production in the summer and fall of this year should be larger than it would have been in the absence of the new food program. In order to make conditions favorable for feeding hogs to heavier weights, the Government will purchase, insofar as possible, mostly heavy cuts of pork. This is calculated to give more support to prices of heavy hogs than to prices of light hogs.

The number of pigs raised in 1940 was reduced about 10 percent from the record level reached in 1939. The large pig crop raised in 1939 was reflected in a material increase in hog marketings in 1940, and hog prices were at low levels last year. The average price received by farmers of \$5.35 was about the lowest on record except for the depression years 1931-34. As a result of these low prices the spring and fall pig crops of 1940 were smaller than those of 1939. And the 1941 spring pig crop may be smaller than that of 1940.

As already indicated changes in the demand situation in the past few months have been marked. And it now seems probable that even if supplies of hogs in 1941-42 should be as large as in 1939-40, a satisfactory level of hog prices could be maintained in view of the improved consumer demand in the United States and large requirements for exports.

Beef cattle

The new food program announced by the Department of Agriculture did not include any direct provision for stimulating the production of beef cattle. The problems of adjustment in cattle production and marketings to the recent changes in demand are essentially different from those for hogs. Production of hogs can be expanded much more rapidly than production of cattle. And an increase in the number of pigs raised will be reflected in increased hog marketings within a year. On the other hand, an increase in the number of cattle produced on farms and ranches usually is not reflected in increased cattle marketings and increased beef production for several years.

In a statement released in late December 1940 the Secretary of Agriculture urged farmers to increase cattle marketings for slaughter during the next year or two, rather than to hold back breeding stock in order to build up herds. In the main this appears to be the principal adjustment that producers of beef cattle can make in the light of expanded demand for meats.

The number of cattle on farms and ranches has been increasing since early 1938, with a large part of the increase in the Corn Belt. At the



beginning of 1941 the number of all cattle and calves on farms totaled 71.7 million head. This is 5.6 million head greater than the recent low level of early 1938, and it is only 2.6 million head smaller than the record number of early 1934. In many areas cattle numbers in early 1941 were already larger than in early 1934.

The number of cattle on farms increases in any year when the calf crop (plus imports) exceeds slaughter and death losses during the year. As the number of cattle on farms is increased the calf crop also increases. Once an increase in cattle numbers gets well under way, the calf crop becomes large enough to permit an increase in slaughter and a moderate increase in numbers on farms during the same year. Further increases in numbers are checked only when slaughter and death losses equal or exceed the calf crop (plus imports).

If the present increase in numbers were to continue for 3 or 4 more years, making a 7 or 8-year period of increasing numbers, which is about the usual pattern, a decrease in numbers or even a cessation of the increase would mean that cattle marketings for slaughter at the end of this period would increase to a level 25 or 30 percent greater than the level of 1940. Consumer demand for meats at the end of 3 or 4 years may be much less favorable than in 1941. And a large increase in cattle marketings accompanied by decreasing consumer demand for meats would mean low cattle prices.

On the other hand, if cattle producers increase marketings considerably in the next year or two, they will accomplish two desirable objectives: (1) large increases in marketings will come at a time when consumer demand is strong and increasing, and cattle prices can be maintained at satisfactory levels despite the increase in marketings; (2) by increasing marketings for slaughter considerably, a further increase in numbers held on farms might be checked for the most part. And this would mean that increases in marketings at the end of the next 3 or 4 years would be largely eliminated.

#### CATTLE FEEDING SITUATION

##### Large increase in cattle feeding

The number of cattle on feed in the Corn Belt on April 1 was 16 percent larger this year than last, according to information released recently by the Agricultural Marketing Service. The number was larger than in any other year since before the 1934 drought.

Cattle feeding on April 1 was on a larger scale than a year earlier in all of the Corn Belt States except Ohio. The increase in the Eastern Corn Belt was 9 percent and the total in that area was probably the largest for all years. The increase in the Western Corn Belt was 19 percent but the total in these States was smaller than in heavy feeding years in the pre-drought period. In Iowa and Minnesota, feeding this year was of near-record proportions; but in the States west of the Missouri River feeding was still considerably below the level of the years of heavy corn production. The estimated number of cattle on feed January 1 and April 1, 1941 as a percent of a year earlier is shown in the accompanying table.

Estimated number of cattle on feed in the Corn Belt, as a percentage of a year earlier, January 1 and April 1, 1941

State	Percentage of a year earlier	
	Jan. 1	Apr. 1
Ohio .....	96	97
Indiana .....	98	105
Illinois .....	108	113
Michigan .....	100	108
Wisconsin .....	112	115
Minnesota .....	103	106
Iowa .....	120	122
Missouri .....	107	112
South Dakota .....	115	135
Nebraska .....	108	110
Kansas .....	130	140
Corn Belt (weighted average) ....	111	116

Agricultural Marketing Service.

#### Increased marketings of grain-fed cattle in prospect

The increase in cattle-feeding operations this season over last will be reflected in larger marketings of grain-fed cattle throughout most of the year. Marketing intentions of cattle feeders and other information indicate that supplies of fed cattle will be somewhat larger than a year earlier during the next 2 or 3 months, but most of the increase will take place during the late summer and early fall. Calves and light-weight feeder cattle constituted a larger proportion of the total number of cattle fed this season than last.

#### Cattle prices

The most important factor in the outlook for cattle prices during the remainder of 1941 is the prospect for continued improvement in consumer incomes and in the demand for meats. Cattle prices in the past 3 months have averaged considerably higher than a year earlier. A 5-percent increase in slaughter supplies of cattle was more than offset by an improvement of around 9 to 10 percent in consumer purchasing power over a year earlier. In 1940 prices of beef cattle advanced steadily from late spring to early winter. The rise was partly seasonal, but it also reflected the improvement in consumer demand conditions throughout the year. Indications now are that total marketings of cattle for slaughter in 1941 will exceed those of a year earlier by around 5 percent, with the percentage increase in supplies of well-finished cattle during the late summer and early fall greater than 5 percent. This may prevent part of the usual seasonal advance in prices of the better grades of slaughter steers. However, if demand conditions continue to improve as now seems likely, the general level of cattle prices should continue higher than a year earlier throughout 1941. Because of the expected larger supplies of well-finished cattle this summer, the spread between

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prices of the upper and lower grades of slaughter cattle may not be so great as that of last summer and fall, when it was unusually wide.

Western Range cattle in good  
condition on April 1

Western Range cattle have come through the winter in good condition and with light losses. A few thin cattle are reported in south central Texas and in other limited areas, but breeding stock is mostly in good condition and the prospects for the 1941 calf crop are generally good. Range conditions on April 1 were the highest for that date since 1931. There is a good supply of old feed and the prospects for the new crop of grass and range feed are good.

EARLY LAMB SITUATION

Outlook for early lamb crop  
continues favorable

Although weather and feed conditions were not so favorable in March as in January and February, development of the early lamb crop continued above average, according to information released recently by the Agricultural Marketing Service. Continued heavy rainfall in California, Arizona, and Texas and a deficiency of sunshine reduced the feeding value of the abundant new feed and held back the finish of the lambs somewhat. In the Southeastern and Corn Belt States the spring has been late, with pastures and green feed making little growth during March, but other feed supplies are plentiful. In the Far Northwestern States, both feed and weather conditions continued generally favorable.

The condition of the early lambs about April 1 was above average in all areas, and late March and early April rains and warmer weather promised good spring feed generally. Fairly heavy marketings of early lambs of above average quality from the middle of April to the middle of June are expected and grass fat yearling lambs from Texas will begin moving in volume by the last of April.

Conditions in the principal early lambing States about April 1 are reported as follows:

California: Excessive rainfall and cool weather during March in the early lambing areas resulted in a heavy growth of feed, but it lacked the quality necessary to put finish and bloom on the early lambs. Warm dry weather is needed. While the condition of the early lambs is reported high, some of the lambs marketed in March lacked finish. Some lambs were shipped east late in March but the slaughter within the State before April 1 was relatively small. The slow finishing of the lambs may delay marketings somewhat and there may be more feeder lambs than was expected earlier.

Arizona: Too much rain and soft feed retarded the development of the early lambs somewhat. Shipments in March were relatively small and lambs were lighter than expected. Clear warm days late in March improved



the quality of the feed and this is expected to result in better finish in the lambs.

Texas: Abundant rainfall in March brought on a good growth of feed, but the cold period about the middle of the month and lack of sunshine retarded the growth of the early lambs somewhat. With good feed and better weather in April lambs are expected to improve rapidly and shipments in April will probably exceed those of a year ago. Yearling lambs are in good flesh and by the end of April shipments of grass fat lambs and sheep will begin in volume.

Southeastern States: Spring is somewhat backward in this area, March having been unusually dry, with temperatures below normal. Pastures made little growth and green feed has been generally lacking. Dry feed, however, was plentiful and the early lambs continued to grow well. The percentage of ewes that lambed before April 1 was unusually large and the number of lambs saved was relatively large. The movement to market will depend somewhat on the growth of pastures in April.

Corn Belt: The spring is late in most of the early lambing areas and March was dry and rather cold. In Missouri, the principal early lambing State, the lambs made good progress in spite of cool weather and lack of green feed. The condition of the early lambs was reported high and losses relatively light. Pastures are 3 weeks late.

Northwestern States: Both weather and feed conditions in this area continued quite favorable during March for the development of the early lambs. Moisture supplies are fairly favorable for good spring ranges and pastures, and the early lambs should continue to develop well. Marketings from this area may be earlier than usual.

#### THE WOOL SITUATION 1/

Mill consumption of apparel wool in the United States in 1941 is expected to be considerably greater than in 1940 and larger than in any previous year. Large orders for wool fabrics for Army use and the high level of incomes of consumers are the important reasons for the large consumption. The weekly rate of consumption of apparel wool, scoured basis, in February was the highest in the 23 years of record.

The prospect of a record mill consumption will be a strong supporting factor to domestic wool prices in the 1941 marketing season. Quotations on new clip domestic wools for near future delivery at Boston appeared to be about equal to spot prices of old clip wools as the new season got under way about April 1. Prices at Boston have been quite steady in recent months and are equal to, or only slightly below, the highest prices of the season established in October and November. Prices in mid-March in early shearing States were 5 to 7 cents a pound higher than a year earlier.

1/ From the April 1941 issue of The Demand and Price Situation. For detailed information copies of The Wool Situation may be obtained upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

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Imports of apparel wool for consumption totaled 106.5 million pounds in the first 2 months of 1941 compared with 45.1 million pounds imported in the same months last year. Imports in the early months of this year were larger than at any time since 1921. The large imports were stimulated by relatively small supplies of domestic wool, and the need for large quantities of raw wool to complete Army orders.

In recent months the spread between prices of domestic and foreign wool has been reduced. South American supplies of fine wools suitable for United States purchase are clearing rapidly. With the new domestic clip now becoming available, United States imports are likely to decline in the late spring and summer.

Supplies of wool in South Africa and Australia probably are relatively large. But the growing shortage of shipping space and advancing freight rates will tend to restrict exports from those countries.



## Supplies of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.			Oct.-Feb.	
		Feb.	Jan.	Feb.	Average:	1928-29:	1938-	1939-	1940-
		1940			to	39	40	40	41
					1932-33:				
Hog slaughter under :									
Federal inspection: 1/	Thou-								
No. slaughtered	sands	4,277	4,517	3,725	46,363	39,720	47,651	22,851	24,207
Live weight:									
Average .....	Lb.	233	233	238	231	234	234	231	230
Total .....	Mil.lb.	995	1,052	886	10,723	9,311	11,142	5,275	5,544
Total dressed wt. :	" "	742	789	667	8,069	6,975	8,303	3,942	4,123
Yield of lard per :									
100 lb. live wt. :									
of hogs .....	Lb.	14.2	13.2	13.3	15.2	2/12.8	2/13.2	13.6	12.6
Production of lard:	Mil.lb.				1,630	1,187	2/1,485	719	699
Exports: 3/									
Pork .....	" "	28	2	3	211	125	115	88	15
Lard .....	" "	25	14	15	657	270	232	117	61
Imports of pork 3/	" "	1	1	2	6	50	7	4	4
Proportion of sows									
in inspected									
slaughter 4/ .....	Pct.	46.9	47.3	46.4	51.2	49.3	50.0	46.2	48.0

Compiled from reports of Agricultural Marketing Service, except as specified.  
 1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry.  
 3/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard. 4/ Includes gilts.

## Prices of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.			Oct.-Mar.	
		Mar.	Feb.	Mar.	Average:	1928-29:	1938-	1939-	1940-
		1940			to	39	40	40	41
					1932-33:				
Av. price, all purchases:	Dol. per:								
Seven markets .....	100 lb.	4.91	7.50	7.50	1/	6.85	5.54	5.45	6.76
Chicago .....	" "	5.07	7.71	7.64	6.99	7.00	5.69	5.62	6.95
Av. price of barrows and									
gilts, Chicago .....	" "	5.13	7.78	7.69	1/	7.23	5.86	5.71	7.03
United States average price:									
received by farmers .....	" "	4.87	7.19	7.08	6.48	6.70	5.44	5.41	6.43
Av. price of No. 3 Yellow	Ct. per:								
corn, Chicago .....	bu.	58	62	66	62	49	60	55	64
Hog-corn price ratio:									
Chicago 2/ .....	Bu.	8.8	12.4	11.6	11.6	14.4	9.6	10.4	10.9
N. Central States .....	"	9.4	14.1	13.5	12.9	16.6	10.6	11.7	12.3
Proportion of packing sows									
in total packer & shipper									
purchases, 7 markets 3/	Pct.	5.0	5.0	4.0	1/	13.0	12.0	7.0	7.0
lv. weight at 7 markets	Lb.	245	246	248	1/	247	244	239	237

Compiled from reports of Agricultural Marketing Service.  
 1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.

## Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month					
		Average:	1940	1940		1941			
		1924-33:		Feb.:	Mar.:	Jan.:	Feb.:	Mar.:	
Slaughter under Federal inspection:									
Number slaughtered:	Thou-								
Cattle 1/	sands	8,850	9,756	715	721	891	717	766	
Calves 1/	"	4,819	5,359	378	440	411	384	444	
Cows and heifers 2/	"	4,181	4,481	306	308	445	342		
Steers 2/	"	4,340	4,866	383	389	413	350		
Average live weight:									
Cattle	Pounds	953	940	961	953	961	952		
Calves	"	176	191	180	171	191	186		
Total dressed weight:									
Cattle	Mil.lb.	4,532	4,971	377	377	453	371		
Calves	" "	487	568	38	42	44	40		
Inspected shipments: 1/	Thou-								
Feeder cattle and calves	sands	2,894	3,162	118	152	195	148		
Imports:									
Cattle 3/	"	253	644	39	43	78	78		
Canned beef 4/	Mil.lb.: 5/	36	61	6	5	5	6		

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

## Price per 100 pounds of cattle and calves, March 1941, with comparisons

Item	Mar.	Mar.	Mar.	1941		
	average:	1939	1940	Jan.	Feb.	Mar.
	1924-33:					
Beef steers sold out of first hands at Chicago:	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Choice and Prime	11.32	12.45	11.50	14.19	13.56	12.80
Good	10.34	10.64	9.86	12.21	11.64	11.12
Medium	9.23	9.20	8.51	10.13	9.90	9.69
Common	8.10	8.31	7.37	8.34	8.45	8.72
All grades	9.63	10.29	9.31	11.90	11.27	10.81
Cows, Chicago:						
Good	6.80	7.45	7.18	7.90	8.12	8.34
Cutter and Common, and Canner 2/	4.19	5.12	4.95	5.13	5.40	5.60
Vealers, Chicago:						
Good and Choice	10.58	9.95	10.44	12.23	12.56	10.80
Stocker and feeder steers, Kansas City:						
Average price all weights 3/	8.50	9.18	8.97	10.16	10.00	10.29
Average price paid by packers:						
All cattle	7.79	8.03	7.67	8.57	8.78	
Steers 4/	9.57	8.80	10.64	10.41		
Calves	9.46	8.90	8.95	9.62	10.38	

Compiled from reports of Agricultural Marketing Service.

1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926; Low Cutter and Cutter July 1926-July 1939. 3/ Average 1925-33. 4/ Not available.

## Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av.	1940	1939-40		1940		1941	
		1924-33	1940	Feb.	Mar.	Feb.	Mar.	Jan.	Feb.
Slaughter under Federal inspection									
Sheep and lambs:									
Number slaughtered	Thou-								
ed 1/	sands:	14,737	17,351	1,086	1,159	1,313	1,266	1,625	1,391
Average live weight	Lb.	81	86	88	88	92	92	93	94
Average dressed weight	"	39	41	41	41	43	43	43	44
Total dressed weight	Mil. lb.	569	702	44	47	56	55	70	61
Lambs and yearlings:	Thou-								
Number slaughtered	sands:	13,678	16,253	1,017	1,091	1,242	1,138	1,537	1,316
Percentage of total									
sheep and lambs	Pct.	92.8	93.7	93.6	94.1	94.6	94.6	94.6	94.6

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry.

Prices per 100 pounds of sheep and lambs, by months,  
January-March, 1939-41

Item	1939			1940			1941		
	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago -									
Good and choice 1/	8.92	8.88	9.12	9.09	9.44	10.10	10.28	10.69	11.03
Slaughter ewes:									
Chicago -									
Common and medium	2.97	3.40	3.69	3.14	3.51	4.05	4.23	4.78	5.00
Feeding lambs, Omaha:									
Good and choice ..	8.23	8.24	8.21	8.48	8.38	---	9.28	9.70	9.75
Average price paid									
by packers:									
Sheep and lambs ...	8.46	8.54	8.73	8.60	8.81	9.44	9.54	10.02	
Average price re-									
ceived by farmers:									
Sheep .....	3.83	4.02	3.99	3.86	3.93	4.25	4.35	4.58	4.78
Lambs .....	7.33	7.37	7.43	7.57	7.61	8.05	8.34	8.60	8.92

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade.

Index numbers of income of industrial workers, and cash  
income from meat animals, specified periods

Item	Calendar year			Feb.	1941	
	1938	1939	1940	1940	Jan.	Feb.
Income of industrial workers						
(1924-29 = 100) .....	73	83	1/ 94	89	109	1/ 110
Cash farm income from meat animals:						
(1924-29 = 100) .....	78	81	1/ 86	82	2/ 101	1/ 102

1/ Preliminary. 2/ Revised.



# PRICES OF HOGS AND CORN, AND HOG-CORN PRICE RATIO, CHICAGO, 1934-41

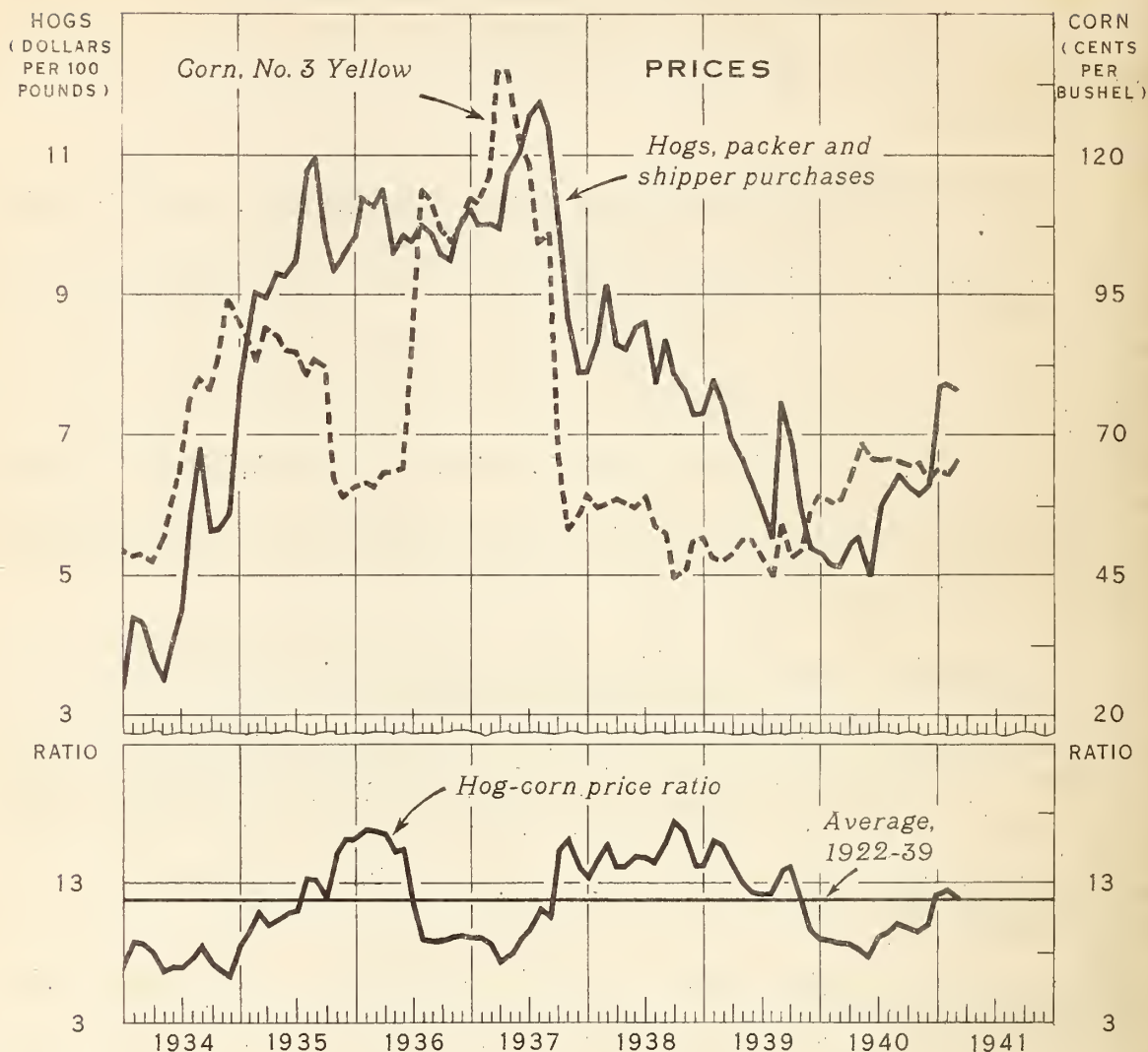


FIGURE 2.- HOG PRICES WERE LOW RELATIVE TO CORN PRICES THROUGHOUT LATE 1939 AND 1940. THIS WAS REFLECTED IN A 10-PERCENT REDUCTION IN THE 1940 PIG CROP. HOG PRICES HAVE ADVANCED CONSIDERABLY IN THE PAST FEW MONTHS, AND THE HOG-CORN PRICE RATIO IS NOW ABOVE THE LONG-TIME AVERAGE. CORN PRICES ARE EXPECTED TO REMAIN FAIRLY STEADY DURING COMING MONTHS, AND WITH HOG PRICES SUPPORTED BY GOVERNMENT PURCHASES OF HOG PRODUCTS, THE HOG-CORN PRICE RATIO PROBABLY WILL CONTINUE FAVORABLE FOR HOG PRODUCTION. THIS IS EXPECTED TO RESULT IN A MATERIAL INCREASE IN THE NUMBER OF SOWS BRED FOR FALL FARROW.